

**[Docket No. OP-1755]**

Notice of review and request for comment

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice of review and request for comment.

**SUMMARY:** The Federal Reserve is conducting a review under the Primary Dealers Act of 1988 of the treatment of U.S. firms operating in the Spanish government debt market. As part of that review, the Board requests public comment on the treatment of U.S. firms in the Spanish government debt market, and specifically on whether Spain grants to U.S. companies the same competitive opportunities to underwrite and distribute Spanish government debt instruments that Spain accords to Spanish companies.

**DATES:** Comments must be received by [*INSERT DATE 30 DAYS AFTER PUBLICATION IN FEDERAL REGISTER*].

**ADDRESSES:** You may submit comments, identified by Docket No. OP-1755, by any of the following methods:

- Agency website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Email: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include docket number in the subject line of the message.
- Fax: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board's web site at

[www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm](http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm) as submitted, unless

modified for technical reasons or to remove personally identifiable information at the

commenter's request. Accordingly, comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays.

**FOR FURTHER INFORMATION CONTACT:** Sophia H. Allison, Senior Special Counsel (202-452-3565 or [sophia.h.allison@frb.gov](mailto:sophia.h.allison@frb.gov)), Legal Division, or Brett Berger, Senior Adviser (202-452-6427 or [brett.d.berger@frb.gov](mailto:brett.d.berger@frb.gov)), Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551.

**SUPPLEMENTARY INFORMATION:** Under the Primary Dealers Act of 1988, 22 U.S.C. 5341–5342 (Act), the Federal Reserve may not designate a person of a foreign country as a primary dealer, or allow a person of a foreign country to retain designation as a primary dealer, if that person's country does not grant to U.S. companies the same competitive opportunities to underwrite and distribute that country's government debt instruments as that country accords to its domestic companies. A "person of a foreign country" includes any foreign individual or company that directly or indirectly controls a primary dealer. The Board has made determinations under the Act with respect to six foreign countries: Japan (1989), the United Kingdom (1989), Switzerland (1989) Germany (1990), France (1992), and the Netherlands (1998).

A U.S. bank holding company owned by a Spanish firm intends to acquire a U.S. broker-dealer that is currently designated as a primary dealer. Under the Act, the broker-dealer would not be permitted to retain its designation as a primary dealer following its acquisition by the Spanish firm without a determination under the Act that Spain affords the same competitive opportunities to U.S. firms to underwrite and distribute Spanish government debt instruments as Spain accords to Spanish firms.

In order to make this determination, the Federal Reserve is conducting a review of the market in Spanish government debt instruments. The Board requests comment on all aspects of the review. The Board specifically requests comment on the respects in which U.S. companies are accorded, or are not accorded, the same competitive opportunities in the underwriting and distribution of Spanish government debt instruments as Spain accords to Spanish companies. All comments received will be considered in the context of the review of this market.

By order of the Board of Governors of the Federal Reserve System.

**Ann E. Misback,**  
*Secretary of the Board.*

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